



U.S. Department of Justice

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PRESS RELEASE

MILITARY CONTRACTOR AGREES TO SETTLE FEDERAL FALSE CLAIMS INVESTIGATION; WILL PAY \$501,212.03 TO SETTLE CASE

SALT LAKE CITY – A military contractor accused of filing false claims has agreed to pay more than half a million dollars to settle a federal investigation involving equipment used to test nuclear missile technology. The U.S. Attorney's Office in Salt Lake City settled the case on September 30, 2008, when Data Physics Corporation, a San Jose, Calif., company, agreed to pay the federal government \$501,212.03 to resolve the alleged false claim.

The investigation, conducted by the Defense Criminal Investigative Service and the Air Force Office of Special Investigations at Hill Air Force Base, was initiated after Data Physics filed a claim for payment of \$430,030.50 and failed to deliver a product. Data Physics filed the claim for payment after ordering a component used in testing nuclear missile equipment from a subcontractor. Data Physics did not deliver the test equipment it had been contracted by the Air Force to manufacture, and the company refused to return the money it had been paid.

The U.S. Attorney's Office alleged Data Physics did not submit a legitimate purchase order for the test component, which constituted a false claim under the False Claims Act.

"This case is a perfect example of why we have recently increased our capability in the Affirmative Civil Enforcement Division of our office," U.S. Attorney for Utah Brett L. Tolman said. "The government is engaged in billions of dollars of contracting in Utah, and we will work tirelessly to ensure contractors are held accountable when the taxpayers don't receive the benefit of the contract," Tolman said.

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